

## PROFESSIONAL SERVICES AGREEMENT

This Agreement is made this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, by and between \_\_\_\_\_ ("Company") and \_\_\_\_\_ ("Contractor") pursuant to which Contractor will perform certain consulting services for the Company under the terms and conditions set out below.

### 1. Services

Contractor will perform such services as the following:

- a. General efforts to support or oppose legislation or regulation that may affect the Company, such efforts to include appearances before governmental bodies, drafting and distributing petitions, and presenting evidence to governmental committees or other bodies;
- b. Reporting to the Company on governmental affairs activity and providing the Company with briefs, amendments, roll call votes, and other information or documents which may be distributed in connection with legislative, executive, judicial, or regulatory proceedings;
- c. Constituency development;
- d. Serving as a general resource for the benefit of the Company's \_\_\_\_\_ Department on matters relevant to the Company;
- e. Informing the Company of changes in federal, state, and local lobbying laws, including those relating to gifts and political regulations, with actual or potential impact upon the Company's lobbying activities.

Throughout the term of this Agreement, Contractor will be available at reasonable times to meet with Company representatives at \_\_\_\_\_ or such other location(s) as the Company may designate.

### 2. Warranties and Representations

With regard to Contractor's performance of any and all services and obligations under this Agreement, Contractor makes the following warranties and representations:

- a. Contractor will perform in a timely and professional manner and will not use any improper methods when urging consideration of any matter.
- b. Contractor will comply in full with all applicable federal, state, and local laws and regulations, including those which govern gifts and contributions. Contractor shall immediately notify Company of any conduct on Contractor's part which may be in violation of any laws or regulations which govern Contractor's performance hereunder.
- c. Contractor has reviewed and will abide by the excerpts from the Philip Morris Companies Inc. Business Conduct Policy attached hereto as Exhibit A. Contractor will also comply with such other Company policies of which the Company has given Contractor express notice. Contractor will immediately notify the Company of any conduct on Contractor's part which may be in violation of any corporate policies or procedures which govern Contractor's performance hereunder.
- d. Contractor has secured and will maintain all necessary licenses, certifications, or registrations which are required by law.

3. Registration and Reporting

The Contractor is responsible for registering and filing all reports with federal, state, and local governments which may be required by law or regulation in connection with Contractor's activities on behalf of the Company. Such reports must be filed in an accurate and timely manner at Contractor's expense. Contractor will forward copies of all registrations and reports to the Company immediately upon filing. Contractor will further provide all necessary information and assistance to the Company, in a timely and accurate fashion, to enable the Company to comply with its filing and registration obligations.

4. Fees and Expenses

In consideration of the services to be rendered hereunder by Contractor, Company agrees to compensate contractor at a fixed rate of \$\_\_\_ per month, not to exceed a total of \$\_\_\_ over the term of this Agreement. This fee is not contingent upon the success of any undertaking hereunder except where and to the extent permitted by law. The Company will reimburse Contractor for all reasonable expenses, including travel, accommodations, meals and long-distance telephone calls, actually incurred by Contractor. Expenditures for honoraria, gifts, political contributions or entertainment of government officials are not reimbursable expenses unless (a) contractor requests and receives prior approval from the Company for the expenditures and (b) the expenditures are made in full compliance with all applicable laws and regulations. All expenses of twenty-five (25) dollars or more must be submitted with receipts or comparable supporting documentation. All expenses in excess of five hundred (500) dollars require advance approval by the Company. Expenses for projects not specifically covered by this Agreement must be approved in advance by the Company and billed separately. Failure to obtain Company approvals or submit documentation in accordance with this paragraph will negate Contractor's rights to reimbursement.

5. Billing and Payment

Contractor will submit monthly statements of services rendered and expenses incurred. The Company will make payments within thirty days of receipt of such statements. By accepting payments, Contractor certifies that Contractor (a) has complied with the terms and conditions of this Agreement, including Contractor's obligations to comply with all applicable laws, regulations, and Company policies and (b) has filed all reports and notices which may be required.

6. Term and Termination

The term of this Agreement will commence on the date first written above and will continue until \_\_\_\_\_. Company may terminate the Agreement, with or without cause, on thirty days (30) written notice to Contractor at the address set forth below. Upon termination, the Company will have no liability or payment obligations to Contractor after the effective date of the notice of termination.

7. Records

The Contractor, Contractor's employees, and agents will maintain detailed and accurate books and records of account with respect to activities undertaken on behalf of the Company and will provide periodic activity reports as requested by the Company. Contractor will maintain all books and records of account in the manner and for the time period required by federal, state, and local law. The Company and its agents will have the right, at the Company's expense, to audit such books and records of account at reasonable times. In addition, the Company will have the right to request that Contractor, Contractor's accountant, or a designated representative of either, spend one day at the Company's expense undergoing orientation as to the Company's accounting practices.

8. Confidentiality

The Contractor, Contractor's employees, and agents will hold strictly confidential all information and materials provided by the Company to Contractor or created by Contractor in performing this Agreement. The Contractor will not use or disclose such information or material unless expressly authorized to do so in writing by the Company. Any information or material provided by or created for the Company will remain the sole and exclusive property of the Company. To the extent that any of the tangible or intangible property produced by Contractor hereunder does not qualify as a "work made for hire" under the U.S. Copyright Act, Contractor irrevocably transfers, assigns and conveys the exclusive copyright ownership thereof to the Company. Upon termination or expiration of the Agreement but no later than thirty days thereafter, Contractor will return all materials to the Company. The Contractor's obligation to maintain the confidentiality of all information obtained by Contractor from the Company in connection with Contractor's performance under this Agreement will survive the Agreement's termination. These obligations will be in addition to and will in no way dilute any obligations of confidentiality which Contractor might otherwise owe to the Company by operation of law or professional standards.

9. Third Party Contacts

If at any time Contractor is contacted by a third party, including representatives of the news media, concerning Contractor's activities on behalf of the Company, Contractor will (a) make no comment; (b) notify the Company of the third party contact; and (c) refer the third party to the Company. The Contractor may respond to routine inquiries from members of the press, legislators or administrative officials concerning legislation or administrative rules which Contractor is lobbying for or against on the Company's behalf but will immediately notify Company of such responses and will provide the Company with copies of any documents or materials which Contractor submits in response to such inquiries.

10. Indemnity

The Contractor will indemnify and hold harmless the Company, its affiliates and their officers, employees, directors and agents from all claims, liabilities, costs, and expenses, including reasonable attorneys' fees, that arise from or may be attributable to errors, omissions or fault of Contractor. Contractor's obligation to indemnify and hold harmless will survive the termination of the Agreement. -

11. Independent Contractor

The Contractor is an independent contractor and this Agreement will not be construed to create an association, partnership, joint venture, relation of principal and agent or employer and employee between Company and Contractor or any of Contractor's employees within the meaning of any federal, state, or local law. Contractor will not enter into any agreement, oral or written, on behalf of the Company or otherwise obligate the Company without the Company's advance written approval.

12. Exclusivity

During the term of the Agreement, and for six months thereafter, Contractor will not, without the prior written consent of the Company, engage in lobbying, consulting or similar activities on behalf of any company, entity, or person whose business competes with any \_\_\_\_\_ product of the Company or has interests which are adverse to the Company's interests.

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13. Miscellaneous

a. This Agreement and all matters collateral hereto will be governed by the laws of the State of New York without regard to New York's choice of law doctrines.

b. This Agreement and attached exhibits constitute the complete agreement between the parties and supersedes any prior oral or written agreement concerning the subject matter. No amendment to this Agreement will be effective unless in a writing signed by both parties.

c. If any provision of the Agreement is held invalid or unenforceable, the remaining provisions will remain in effect.

d. This is a personal service contract and may not be assigned or transferred by Contractor.

e. A waiver by either party of any of the terms and conditions of the Agreement in one or more instances will not constitute a waiver of the terms and conditions.

f. Notices provided will be in writing and sent by certified mail, return receipt requested. Notices to Contractor will be sent to \_\_\_\_\_.  
Notices to the Company will be sent to \_\_\_\_\_,  
attention: \_\_\_\_\_.

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

[Contractor]

[Company]

By: \_\_\_\_\_

By: \_\_\_\_\_

Date: \_\_\_\_\_

Date: \_\_\_\_\_

Taxpayer ID#: \_\_\_\_\_

Filing Status: \_\_\_\_\_